

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 4 - 0 2

2. STATE:

Virginia

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 4, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ (1,000,000)

b. FFY 2005 \$ -0- (1,000,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Narrative for the Amount, Duration and Scope of Services, Attachment 3.1 A&B, Supplement One, Pharmacy Services, pp. 25 and 26 of 41.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Same

10. SUBJECT OF AMENDMENT:

Pharmacy Services: Prior Authorization of High Drug Thresholds

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Secretary of Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Patrick W. Finnerty

14. TITLE:

Director, DMAS

15. DATE SUBMITTED:

February 3, 2004

16. RETURN TO:

Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

Attn.: Regulatory Coordinator

APR 2 2004

17. DATE RECEIVED:

2/3/04

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:

APR 2 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1/4/04

20. SIGNATURE OF REGIONAL OFFICIAL:

[Signature]

21. TYPED NAME:

MARY T. MCSORLEY

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR
DIVISION OF MEDICAID & CHILDREN'S HEALTH

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

NARRATIVE FOR THE AMOUNT, DURATION AND SCOPE OF SERVICES

Act (Act). All rebates collected on behalf of the Commonwealth shall be collected for the sole benefit of the state share of costs. One hundred percent (100%) of the supplemental rebates collected on behalf of the state shall be remitted to the state. Supplemental drug rebates received by the Commonwealth in excess of those required under the national drug rebate agreement will be shared with the Federal government on the same percentage basis as applied under the national drug rebate agreement.

9. Other pharmacy prior authorization programs requirements. Pursuant to § 1927 of the Act and 42 CFR § 440.230, the Department shall require the prior authorization of legend drugs when both institutionalized and non-institutionalized recipients are prescribed high numbers of legend drugs. Over-the-counter drugs and legend drug refills shall not count as a unique prescription for the purposes of prior authorization as it relates to the threshold program.
 - a. Prior authorization shall be required for non-institutionalized Medicaid recipients whose current volume of prescriptions exceeds 9 unique prescriptions within 180 days and as may be further defined by the agency's guidance documents for pharmacy utilization review, limitations, and the prior authorization program. This prior authorization shall be required regardless of whether or not the prescribed drug appears on the preferred drug list of legend drugs. All recipients subject to these prior authorization limits shall be given advance notice of such limits and shall be advised of their rights to appeal. Such appeals shall be considered and responded to pursuant to 12 VAC 30-110-10 et. seq.
 - b. Prior authorization shall be required for institutionalized Medicaid recipients whose current volume of prescriptions exceeds 9 unique prescriptions within 30 days and as may be further defined by the agency's guidance documents for pharmacy utilization review, limitations, and prior authorization program. The prior authorization shall be required regardless of whether or not the drug is listed on the PDL of legend drugs. All recipients subject to these prior authorization limits shall be given advance notice of such limits and shall be advised of their rights to appeal. Such appeals shall be considered and responded to pursuant to 12 VAC 30-110-10 et. seq.

TN No. 04-02
Supersedes
TN No. 03-15

Approval Date APR 2 2004

Effective Date 01-04-04

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

NARRATIVE FOR THE AMOUNT, DURATION AND SCOPE OF SERVICES

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- c. Prior authorization shall consist of prospective and retrospective drug therapy review by a licensed pharmacist to ensure that all predetermined clinically appropriate criteria, as established by the department, have been met before the prescription may be dispensed. Prior authorization shall be obtained through a call center staffed with appropriate clinicians, or through written or electronic communications (e.g., faxes, mail). Responses by telephone or other telecommunications device within 24 hours of a request for prior authorization shall be provided. The dispensing of 72-hour emergency supplies of the prescribed drug may be permitted and dispensing fees shall be paid to the pharmacy for such emergency supply.
 - d. Exclusion of protected groups from pharmacy prior authorization requirements. The following groups of Medicaid eligibles shall be excluded from all pharmacy prior authorization requirements: individuals enrolled in hospice, services through PACE or pre-PACE programs; minor children who are the responsibility of the juvenile justice system; refugees who are not otherwise eligible in a Medicaid covered group; persons who are receiving services through the Medicaid Family Planning waiver.
 - e. Exclusion of protected institutions from pharmacy threshold prior authorization. For the purposes of threshold prior authorization, nursing facility residents do not include residents of the Commonwealth's mental retardation training centers. For the purposes of threshold prior authorization, non-institutionalized recipients do not include recipients of services at Hiram Davis Medical Center.
10. Coverage of home infusion therapy. This service shall be covered consistent with the limits and requirements set out within home health services (12VAC30-50-160). Multiple applications of the same therapy (e.g., two antibiotics on the same day) shall be covered under one service day rate of reimbursement. Multiple applications of different therapies (e.g., chemotherapy, hydration, and pain management on the same day) shall be a full service day rate methodology as provided in pharmacy services reimbursement.
- 12 b. Dentures.
- A. Provided only as a result of EPSDT and subject to medical necessity and preauthorization requirements specified under Dental Services.

TN No.	<u>04-02</u>	Approval Date	<u>APR " 2 2004</u>	Effective Date	<u>01-04-04</u>
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